



Town of Discovery Bay

"A Community Services District"

AGENDA REPORT

Meeting Date

October 5, 2016

Prepared By: Sue Heini, Executive Assistant
Submitted By: Catherine Kutsuris, Interim General Manager

Agenda Title

Approve and Adopt Resolution No. 2016-16 Employee Medical Benefit Coverage - New Benchmark

Recommended Action

Adopt Resolution No. 2016-16 authorizing the change in the financial benchmark for all eligible employees who choose medical coverage.

Executive Summary

On December 2, 2015 the Board of Directors approved Resolution No. 2015-18 which set the benchmark for employee HMO coverage with Kaiser Permanente HMO Gold B and Anthem Blue Cross PPO-Gold B for employees with PPO coverage.

Open Enrollment for medical coverage for the coming year began in September. As employees reviewed the plan materials, a few of the employees saw the benefit of changing from the prior PPO coverage to HMO coverage. All employees who previously selected PPO coverage decided to convert to HMO coverage.

The previous use of two benchmarks (Kaiser for HMO and Anthem Blue Cross PPO for PPO) resulted in substantially higher employee contributions should employees wish to move from a PPO to an HMO Plan even though the Plan costs were equivalent. This change eliminates this issue and sets a single benchmark.

Resolution No. 2016-16 will set a single coverage benchmark at the California Choice Health Net HMO Gold A level.

With the new benchmark, and as stipulated in the Resolution, the Town will continue to cover the cost of employee coverage. Those employees who choose to cover their dependents will be responsible for 20% of the dependent care coverage and the Town will continue to pay 80% of the dependent care coverage.

Please note that even if a health plan has a lower cost than the California Choice Health Net Gold A, all employees must pay 20% of the dependent cost.

Last year, the Town's cost for employee medical coverage for 10 employees was \$116,105 and the employee contribution was \$11,098.

This year, the Town's costs for 11 employees will be \$120,321 and the employee contribution will be \$11,290.

Fiscal Impact:

Amount Requested \$ Funds are budgeted as a part of the FY 2016/17 Operating Budget

Sufficient Budgeted Funds Available?: Yes

Prog/Fund # Category: Pers. XX Optg. Cap. -or- CIP# Fund#

Previous Relevant Board Actions for This Item

December 2, 2015

Attachments

Resolution No. 2016-16

AGENDA ITEM: G-2



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION 2016-16

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TOWN OF DISCOVERY BAY,
A CALIFORNIA COMMUNITY SERVICES DISTRICT,
REGARDING EMPLOYEE MEDICAL BENEFIT COVERAGE**

WHEREAS, for Fiscal Year 2016-17 the Town of Discovery Bay Community Services District employs 18 authorized Full Time Equivalents (FTE), and in the future there may be more or fewer authorized positions that perform the day to day functions of the District; and

WHEREAS, all budgeted and authorized Full Time and Part Time positions (who work a minimum of 30 hours per week) are covered by this Resolution; and

WHEREAS, the Town covers the cost of medical coverage for all covered employees and 80% of dependent care coverage for employees qualified dependents; and

WHEREAS, the 2016-17 monthly Employee Only premium rate, indexed for future years at the Employee Only Premium Rate for the CaliforniaChoice Health Net HMO Gold A medical coverage plan, be paid by the employer; and,

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Town removes the prior CaliforniaChoice Anthem Blue Cross PPO Gold B benchmark from offered health plans, therefore setting CaliforniaChoice Health Net HMO Gold A as a single benchmark.

SECTION 2. The Town will continue to cover 100% of the cost of employee coverage, and for those employees who choose to cover their dependents, 80% of the cost of the Dependent Care premium rate, indexed for future years for the CaliforniaChoice Health Net HMO Gold A medical coverage plan.

SECTION 3. Even if a health plan has a lower cost than the CaliforniaChoice Health Net Gold A, 20% of the Dependent Care premium rate must be paid by employee through payroll deduction.

SECTION 4. The Board Secretary shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 5th DAY OF OCTOBER, 2016.

William Pease
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on October 5, 2016, by the following vote of the Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

Catherine Kutsuris
Board Secretary